

### Reorganization of the Directorate of Intelligence

During the past several years, the Directorate of Intelligence has taken a number of steps to change the focus of its production effort in order to be more responsive to the expressed needs of its consumers. The momentum for undertaking a more intensive examination of the way in which CIA was organized to produce intelligence was given additional impetus by the numerous Executive and Congressional examinations of the production process. In particular, the findings of both the House and Senate Select Committees on Intelligence and a number of consumer surveys undertaken by the IC Staff all seemed to focus on two basic areas--the need for CIA to produce more integrated or interdisciplinary analysis and the need to create a working environment in which the analytic career could flourish.

With the establishment of the Executive Advisory Group in CIA, the new leadership of the Agency made one of its first priorities a basic re-examination of intelligence production in the Directorate of Intelligence. This study was taken internally under the direction of Dr. Sayre Stevens, the Deputy Director for Intelligence. It had four basic objectives:

- To identify those organizational changes needed to facilitate the production of interdisciplinary analysis.
- To consolidate the total intelligence production effort within CIA.
- To foster the production effort on three counts:
  - the production of long-range issue-oriented analysis.
  - the development of new methodologies.
  - the identification of more effective presentational means.
- To create a working environment in which an analytic ethos could flourish and could be recognized as the principal career track to be followed in the DDI.

With these purposes in mind, starting in June 1976 the Deputy Director for Intelligence convened a series of discussions with his office and staff chiefs to consider the organizational forms which might best accomplish them. After thorough discussion of the various alternatives, an interim report (attached) on the DDI organization for production was submitted by the DDI and considered by the Executive Advisory Group on 25 August 1976. This report received the general endorsement of the Executive Advisory Group and the DDI was given authority to proceed with the preparation of specific reorganization proposals.

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At this stage, the Directorate of Intelligence contracted with [ ] to make an external survey of how the DDI was organized for production and what changes, if any, would be required in its organization and procedures to most effectively achieve its production objectives. The [ ] study was conducted over a period of two months during which [ ] gave oral presentations of their findings and recommendations to the Deputy Director for Intelligence, to the DCI, DDCI, the Deputy Director for Science and Technology and the Comptroller, culminating in a final written report submitted in November 1976 (attached).

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At this point, the Deputy Director for Intelligence established an interim working group on reorganization to consider both the DDI interim report of 25 August and [ ] findings. This working group prepared a series of working papers on possible organizational measures and proposals that would best serve the purposes of the reorganization plans. When these studies were completed, the DDI and the ADDI met with the working group representatives to formulate specific reorganization proposals (attached). These proposals which made relatively minor changes in the organizational structure of the Directorate were more significant for the changes they directed in the focus of the DDI production effort and its personnel management system. After discussion of these proposals with the DDI office and staff chiefs, they were briefed to the Executive Advisory Group and received its endorsement. On the basis of EAG endorsement, the Director of Central Intelligence on 15 November 1976 authorized the DDI to proceed with the implementation of his reorganization proposals.

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DDI Interim Report

August 25, 1976

MEMORANDUM FOR: Members of the Executive Advisory  
Group

FROM : Sayre Stevens  
Deputy Director for Intelligence

SUBJECT : Analysis in the DDI: Problems and  
Issues

1. One of my first orders of business as DDI has been to undertake a fresh examination of the process and product of the directorate's principal activity: analysis. I have sought the individual and collective counsel of many colleagues, and together we have developed some ideas about what might be done in coming years to improve the quality and utility of our analytical efforts.

2. This paper summarizes the initial results of our brainstorming. It proposes several basic objectives to serve as guidelines for a program to raise the level of our analysis and make it more responsive to the present and future needs of our consumers. It identifies a number of obstacles that seem to stand in the way of progress toward these objectives, and it then explores potential solutions--some procedural, others involving major organizational changes. Finally, it

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poses several basic policy issues that must be resolved by senior management before we move ahead.

### OBJECTIVES

3. Our critique of the directorate's intelligence products and the way we approach the analytical process revealed four areas in which substantial improvement seems imperative:

One: We need to pursue multidisciplinary analysis in a more rigorous and institutionalized manner, without destroying existing centers of professional coalescence. There is a growing demand from our consumers for intelligence products that integrate all the relevant factors affecting many major issues.

Two: We need to improve the way we select analytical problems and allocate resources to them so as to give better support to policy-makers. This means not only being more responsive to the perceived needs of policy-makers but also anticipating their needs and giving them longer lead times to ponder emerging concerns and potential problems.

Three: We need to insure a more "adventurous" stance in our analysis and presentation. The DDI is lagging behind in the application of modern techniques available in other analytical professions and in the communications field. We

also tend to limit our papers to traditional subjects and analytical frameworks and hesitate to push out into broader fields of analysis.

Four: We need to strengthen the "analytical ethos" in the directorate. Analysis must be our central function. It must be accorded the highest priority in time, talent, and resources, and not take second place to administration or staff work. Our organizational structure and incentive systems should reflect this priority, not only for producers of finished intelligence but also for the indispensable elements that support analysis.

#### OBSTACLES

4. There are a number of features about our present organization and operating style that impede our achievement of these objectives.

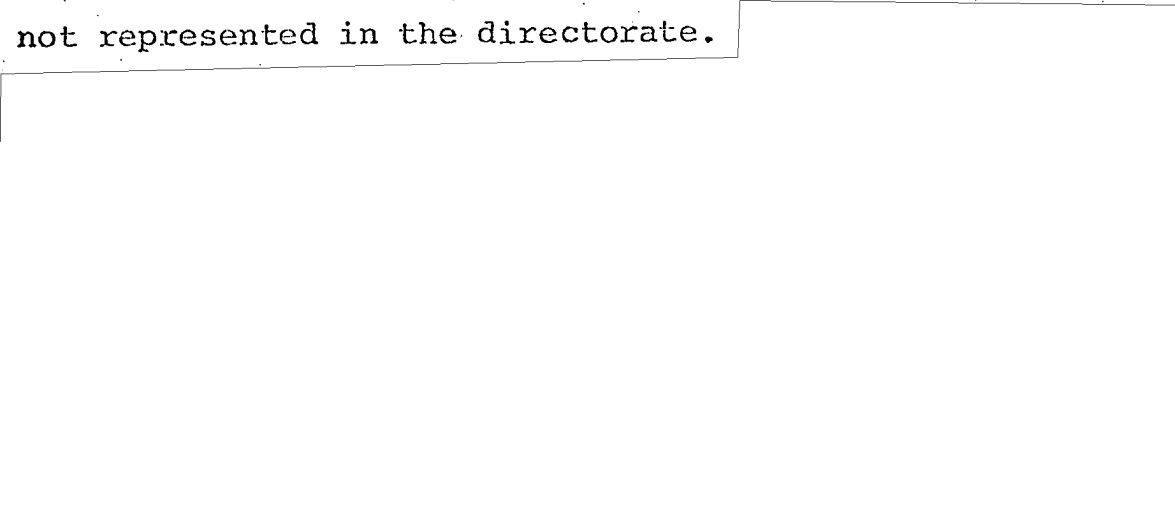
#### A. Obstacles to Objective One: More Multidisciplinary Analysis

(1) The artificial splitting of analytical responsibilities and subjects along organizational lines.

For understandable reasons, our production components are, for the most part, organized vertically by discipline: economists in one office, political scientists in another, military specialists and geographers in other separate

offices. In the present DDI culture, these elements tend to work relatively independently, developing their own research programs, conducting their own analysis, and publishing their own papers. As a result, there is a tendency to have overlapping responsibilities, duplications, and, more importantly, a lack of substantive input from other offices.

Furthermore, the present structure does not facilitate imaginative analysis which would draw on disciplines not represented in the directorate. STAT



The result is that finished intelligence products tend to be limited in scope to the frame of reference of the analyst or his organization. This approach may be adequate for projects where the consumer's requirement is fairly narrow and falls within the expertise of a single analytical element. Many policy issues, however,

are much broader than that, and the policymaker is left to his own devices--if he does so at all--to develop an integrated appreciation of the factors bearing on the issues he confronts.

Over the years efforts have been made to increase the amount of interaction and joint work, but they have not been notably successful.

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While there has been an increase in joint studies between offices, the DDI is not organized to encourage multidisciplinary analysis, which remains sporadic and largely dependent on the initiative of individuals.

(2) The lack of dialogue during the early stages of analysis. To a large extent, this problem is a subset of the first one, particularly for projects which involve more than one office. Our structure does not have adequate mechanisms and incentives for analysts to get together on a problem at the start of the analytical process to share each other's knowledge and insights.



B. Obstacles to Objective Two: Improved Selection

of Analytical Problems

(1) The inadequacy of mechanisms for deciding what analysis should be done to best serve our consumers and for setting priorities. Obviously, much of our work is-- and should be--in response to specific requests from policymakers. But we have a responsibility to do more than that: we need to look ahead to determine what policymakers should concern themselves about and do the work needed to inform them on such matters.

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(2) The difficulty of serving diverse consumers with our products. Many of our papers are tailored for a specific audience and written in the jargon and level of detail appropriate for that audience. In so doing, we often fail to communicate the relevance of our findings to a broader or higher level clientele.

(3) The tendency to let current demands interfere with research. There are some who believe that we devote an inordinate amount of our resources to "reporting the

news" and not enough to providing rigorous analyses of developments. Even the research components of the directorate find it difficult to pursue sustained analysis [redacted]

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[redacted] We

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must, of course, be responsive to legitimate demands

[redacted] but we need to find ways to insure that we strike a proper balance between investing in research and spending our capital on other tasks.

C. Obstacles to Objective Three: More Adventurous

Analysis and Presentation

(1) The gulf between new methodologies and "real" day-by-day analysis. It's not that the directorate has neglected to investigate new analytical techniques in the past few years, but rather that it has not managed to put them into serious and sustained use as an integral part of the analytical process. In many cases, new methodologies are little more than "showpieces" that attest to our interest but remain on the shelf.

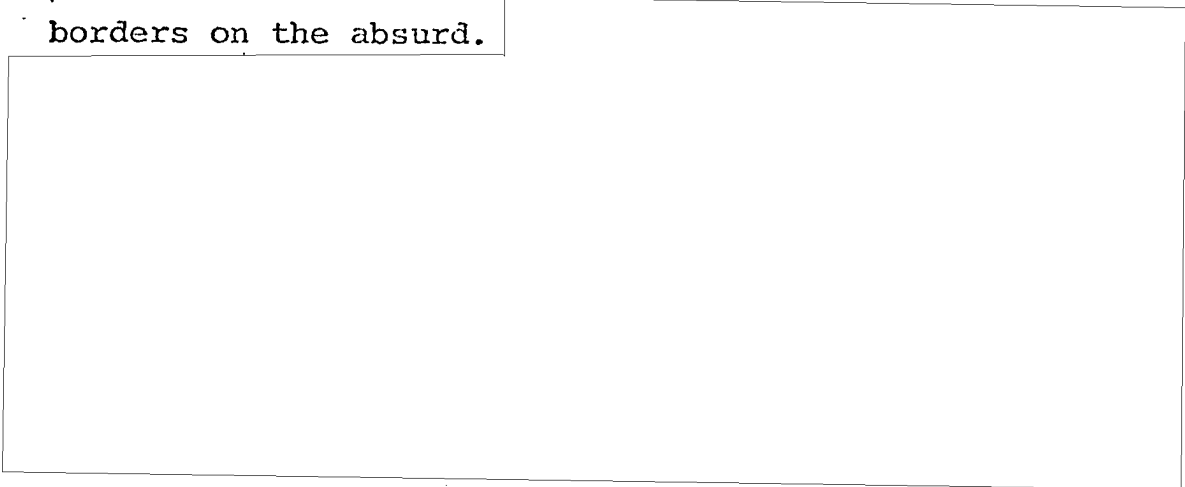
(2) The lack of a comprehensive program for developing and implementing new presentational means. Various elements of the DDI have taken initiatives to investigate--

and in some cases adopt--new media and techniques for getting our messages across to our consumers. Some good work has been done, but we remain far behind what is happening in the communications field. Our lag in this area has not gone unnoticed by critics.

We treat presentation as a matter for each office to handle on its own. For the managers of production offices, presentation tends to be a secondary concern, and the efforts so far have been piecemeal and uncoordinated. We lack a mechanism for bringing adequate expertise and resources to bear on the problem in a way that would serve the entire directorate.

D. Obstacles to Objective Four: Strengthening the Analytical Ethos

(1) The cumbersome review process. The number of reviewers a paper must pass through before being published borders on the absurd.



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(2) The overorganized management structure.

The shortcomings of the review process are symptomatic of a larger problem: the excessive layers in our management structure. We are too highly organized to get on with our job efficiently. Part of the reason for this may be our promotion system, which requires that we move our good people into supervisory or staff positions if they are to advance. This system creates a bureaucratic imperative to proliferate supervisory and staff slots-- and the layers they control.

(3) Shortcomings in analytical skills and substantive expertise. Some critics of DDI analysis contend that our ability to do first-class research in some areas is declining.

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The problem is exacerbated by a tendency to divert our best analysts to non-analytical tasks. Because most of

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the current intelligence reporting carries little analytical content, basic analytical skills have not been valued appropriately in substantial portions of the directorate. The importance of these skills must be reaffirmed. Moreover, it is becoming clear that we need to maintain cadres in certain critical specialties and shield them from the distractions of ephemeral demands.

#### POSSIBILITIES FOR IMPROVEMENT

5. The system has been changing, particularly in recent years, to meet new demands and deal with old problems. We do not rule out the possibility that the evolutionary process, coupled with a series of procedural changes, could over time put us where we want to be without the disruption of a reorganization. We will later suggest some procedural innovations, but we have found through experience that they do not usually hit at the heart of the problem and that structural changes in some form may be necessary.

6. An earlier attempt to pursue multidisciplinary analysis through the creation of ad hoc teams, for example, simply did not work. Because the teams were not assigned to specific projects and met mainly to exchange views, they were artificial in nature and too dominated by the present organizational

structure. Some regularized mechanism, organizationally instituted, seem necessary. Although procedural changes probably could help us establish a better mechanism for selecting problems to address, the real cultural change that would be a vital part of a more effective selection process could probably come about only through a shakeup of the existing system.

7. To achieve our third objective--a more adventurous stance in adopting new approaches to analysis and presentation--some revision of the present setup seems desirable. It is true that new methodologies need to be rooted in specific disciplines and probably can flourish in the present environment, but there is so much fragmentation in the effort to develop new presentational means that we have not been able to move out vigorously in this field.

8. Finally, we see a direct relation between our objective of strengthening the "analytical ethos" and the need for reorganizing. There is, we think, a strong argument for a fairly dramatic uprooting of the "bureaucracy" if we are to change deeply ingrained ways of thinking.

9. In short, to achieve all of our stated objectives in satisfactory and timely fashion, some degree of reorganization may be required. Such reorganization could take several forms.

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Of the various options discussed below, the first three are aimed primarily at strengthening multidisciplinary analysis and secondarily the analytical spirit of the directorate.

Geographic Organization

10. One option would be a reorganization along primarily geographic lines. A logical realignment would be to divide the directorate into two separate but equal parts, one dealing with Intelligence Services and one with Intelligence Production.

11. The Intelligence Services segment would combine the existing publications/cartographic elements in the DDI. It would publish all current intelligence, finished intelligence monographs, and periodicals as well as provide all cartographic and geographic services.

12. The Intelligence Production segment would redistribute the units of the present production offices into four geographic units: USSR/Eastern Europe; Western Europe and Western Hemisphere; Middle East/Africa/South Asia; and East Asia/Pacific. The activities of the two DDS&T production offices--OSI and OWI--would logically be incorporated in this setup. The special disciplines these offices represent would add depth and breadth to our multidisciplinary efforts. Another entity, the Office for International Programs, would integrate for the first time

work on problems of a genuinely international nature-- worldwide trade, monetary problems, Law of the Sea, and so forth.

13. Advocates of this approach argue that there is a geographic common denominator or thread for most DDI activities, and that questions from consumers and answers in the form of DDI products usually have a geographic focus. An organization along these lines would permit directorate offices to deal more effectively with counterparts within and outside the Agency, most of whom have a geographic alignment. Also, whatever competition, duplication, and overlapping of responsibility exist in the DDI would be reduced. Finally, and most importantly, a geographic organization would encourage multidisciplinary analysis and strengthen the regional focus of our analytical efforts.

14. There are, however, some very serious disadvantages. A geographic setup would fragment the disciplinary focus, which is apt to be dominant in much of our analysis. It would also limit professional growth in disciplines and specialties other than those centered on area studies, and we cannot afford any loss of these functional skills. Furthermore, this organizational scheme would require the replication of expensive tools, such as computer programming models, which are now centralized in



the existing offices and constitute the basis for much of our effort to develop new analytical techniques. Finally, it would be highly disruptive for the entire directorate.

Office of Multidisciplinary Analysis

15. Another approach to facilitate a crossdisciplinary approach to problems would be to establish an Office for Multidisciplinary Analysis organized on a geographic basis. Analysts, selected from their parent offices and representing various specialties and disciplines, would be assigned to the Center for a rotational tour. There would be a small permanent staff as well.

16. The virtue of this approach is that it is simple and would be only minimally disruptive. The establishment of a separate office directly tackles the problem of multidisciplinary analysis but at the same time keeps specialists in their own environment.

17. On the negative side, the base for doing genuinely crossdisciplinary work would be rather narrow, and little would be done to create a genuine multidisciplinary culture. Moreover, the directorate's management structure would remain overly large and cumbersome. It is likely, too, that the Office would become divorced from the real, day-to-day work of other DDI offices.

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Matrix Scheme

18. Another possibility for reorganization aimed at encouraging multidisciplinary analysis would be a matrix arrangement which would preserve the individual offices but introduce some changes. The offices would be seen as parts of a vertical organization where the management function would reside and where "pure" analysis would be done by specialists. A large portion of the analysts in each of the offices, perhaps 60 percent, would be involved in doing research on a sole topic. Such research is critical because it is the foundation on which longer-term projects rest and is the building block for all other kinds of analysis. The rest of the analysts would be a "floating" labor force available to work on problems cutting across organizational lines.

19. Laterally, "program directors" with responsibility for cross-disciplinary research areas would organize projects responsive to a stated or felt requirement. The teams established for a particular project would be drawn from the floating labor pool. The final product would be produced under the direction of a project leader reporting to a program director, but the

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ultimate responsibility for professional content would belong to the appropriate offices. Everyone, including the program director, would be attached to a given office.

20. The matrix approach, like the proposal for an Office of Multidisciplinary Analysis, would directly grapple with the cross-discipline problem while preserving separate analytical disciplines. It has the added advantage of creating a multidisciplinary culture that reaches throughout the directorate without being divorced from line management. And it would free us from some of the rigidities of the present system by giving promising analysts a route upward that is not linked to supervisory positions--a concept that would give credence to our claim that analysis is indeed the central function of the DDI.

21. There are problems, however. Imposition of a matrix system would create turbulence and would require additional management at the directorate level. With analysts divided into specialists on the one hand and a floating pool of generalists on the other, the rise of a two-tiered system in which one group or the other becomes the elite seems almost inevitable. There

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would also be a potential management conflict because responsibility would be divided between program/project leaders and office heads, both with certain responsibilities for substantive content of projects. Finally, the matrix scheme to some extent would duplicate the present NIO structure.

#### Current Intelligence Setup

22. The three reorganization options discussed above directly address the problem of fostering greater multidisciplinary analysis, but there is a separate problem that needs to be considered: the proper approach to current intelligence. The problem is a distinct one because we must weigh the need to report all kinds of news promptly and fully against the need to provide our consumers with in-depth analysis. Some claim that too many of our resources are now directed at the production of current intelligence.

23. If we decide that we do indeed devote too much of our effort to current reporting and not enough to current analysis, another possibility for reorganization would be to create a small White House and General Publications Support Staff to handle the more limited

reporting function and free most of our current intelligence resources for more in-depth analysis. The Support Staff would be manned around the clock by analysts from the production offices of the DDI and DDS&T. A group of perhaps 20-25 middle-to-senior grade analysts would serve one or two year tours and then return to their parent organizations. These "hot flue" analysts would be responsible for drafting whatever daily and weekly products are issued.

24. If this kind of staff is created, some revision in the current intelligence publications would probably be necessary. We might, for example, find it necessary to abolish the National Intelligence Daily, OCI's newspaper, and instead report current intelligence by cable to our principal consumers around the clock. A daily compilation of the most significant cables could then be published for broader dissemination.

25. More detailed commentary and analyses of current developments--political, economic, and military--would be published twice a week in a new publication which would replace the various office weeklies and other periodicals. There might be a need for continuation of certain specialized publications such as OER's International Oil Developments, but the basic concept would be that

directorate publications represent a "DDI product" and serve as the vehicle for publishing the work of the directorate.

26. Although some OCI analysts would be assigned to this new current staff, most of the analysts in that office would be combined with OPR into an Office of Regional Analysis. Such a merger would eliminate the anomaly of having two DDI offices engaged in political research and would encourage the production of more probing analysis. Creation of an Office of Regional Analysis would be quite compatible with the matrix proposal outlined earlier.

#### Office of Production

27. Under any of the above proposals for reorganization, it might be wise to consider establishing a separate Office of Production. The office would serve as a 24-hour processing center for DDI publications, with units for technical editorial review, machine processing, proofreading, layout, and preparation of graphics. Creating such an office would promote efficiency and perhaps would free resources that could then be devoted to the analytical effort. The Office of Production would also be the center for developing

and implementing new presentational techniques for the entire directorate. There would be a savings in equipment and the advantage of greater quality control over the finished product.

#### PROCEDURAL CHANGES

28. Whether or not we proceed with any organizational reforms at this point, there are certain procedural and administrative changes that can and should be made. One such change is already in effect--a weekly meeting between the DDI and the heads of the principal production offices to provide overall direction and focus to the substantive work of the directorate.

29. Other possibilities are suggested below:

##### --Tasking mechanism for the directorate.

The production group now meeting weekly could be given an additional function, that of serving as a tasking mechanism for projects undertaken by the directorate, thereby ensuring the proper assigning of priorities to given programs.

##### --Periodic review of publications and projects.

Rather than the hurried

reviews of recent years that usually were the result of a request from on high or from Congress or the White House, the DDI could institute a program for regularly reviewing all of its publications and research projects to see whether they continue to meet the needs of the principal consumers.

--Consumer seminars for evaluation of DDI products. There is a pressing need for more feedback from our consumers on what publications and products they value, which they ignore, what they wish they had, and why. On a regular basis, one-to-two day seminars involving key consumers and office heads could be held to discuss such questions.

--Review of our hiring practices. We need to take a hard look at the kinds of people we are hiring to be sure that we are getting the proper mix of people--behavioral scientists as well as



political scientists, for example.

To pursue multidisciplinary studies we must ensure that all of our analysts don't come out of the same mold.

--Increased intra-directorate rotational assignments. Despite constant exhortations from the top and general recognition that rotations offer advantages to almost everyone, there is no practical and realistic scheme for promoting such assignments. The cross-fertilization that could result from tours ranging from 3 months to 2 years could both promote multidisciplinary analysis and break down some of the barriers between the production and service offices.

--More cross-fertilization with the outside world. The emphasis on current intelligence and the pressures of publications and deadlines too often make contact with outsiders--particularly the academic world--difficult. The directorate could profit from a well-thought-out seminar

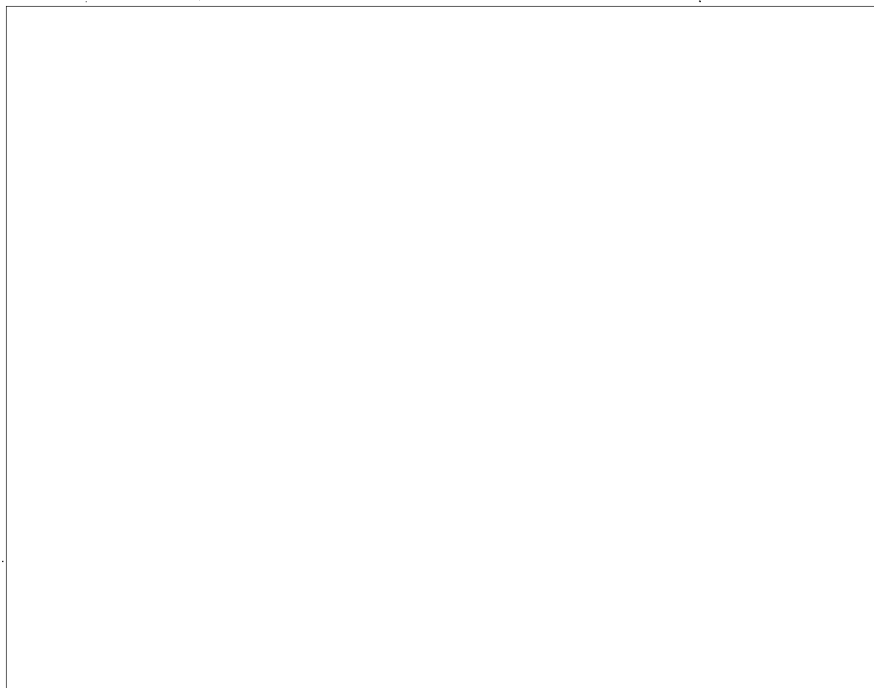
program involving different offices in the DDI and outside specialists on a regular basis.

--More creative training. The directorate should enlarge and enhance the talents of its existing analysts through a more innovative approach to training. One way to foster greater multidisciplinary analysis, for example, is to give analysts training in disciplines outside their specialties--train political scientists in some of the more important economic concepts, let economists learn more about geography, and military strategists more about political dynamics. At the same time, we need to retain and strengthen our regional expertise.

--Renewed emphasis on language capability. Enhanced language skills also fall in the category of "things we need to improve in the DDI but do little about." There is no rational plan for encouraging analysts to sharpen old skills or learn new ones.

---Greater contact between the DDI and office analysts on substance. To underline our contention that the heart of the DDI is analysis, regular and continuing contact between the DDI himself and analysts engaged in substantive projects should be instituted.

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ISSUES TO BE ADDRESSED

30. As you can see, we have developed a number of ideas and options for consideration. We have also undertaken some preparatory steps. We're collecting data, for example, that will give us a better grasp of what kind of

people we have on board, what their area of expertise is, how much time we spend on producing certain kinds of intelligence, what priorities we attach to various positions, and whether an independent production office is feasible.

We have contracted with [redacted]

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[redacted] to do a study on the DDI organizational setup and will provide them with the results of our labors. We are also planning a review of all our publications. At this point, what we need is some guidance from you.

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31. Before the directorate decides which way to move as it comes to grips with its problems, there are certain issues that the Executive Advisory Group should address.

A. To what extent should the practice of current intelligence as the art of "tending the hot flue" be de-emphasized? Do we want to move away from this aspect--the "news" function--in favor of a more genuinely analytical product? What are the consequences of shifting the emphasis away from interpretive current reporting toward current analysis? At this point, is there any real possibility that we could eliminate the National Intelligence Daily or some version of a slick, well-packaged daily publication for our consumers?

B. Should we rely upon the NIOs to solve the problem of operating across organizational lines?

Does the CIA have a responsibility for solving these problems within its own house without relying on the NIO structure?

C. To what extent should CIA extend its research and analysis beyond the classical intelligence topics to address other foreign and global issues of concern to national policymakers? Should the directorate, for example, be as concerned about scarce natural resources as it is about the possibility of a Communist government in Italy? Produce as much on agricultural production as it does on military sales? Learn as much about population problems as it does about foreign political parties? And if attention is paid to such a diversity of topics, will the DDI and indeed the Agency be that much less well-informed on critical issues?

D. Should the production offices of the DDS&T be somehow integrated into the DDI production processes? Would such integration require that these offices be transferred to the DDI? And, if so,

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would the separation from the R&D and data processing activities of the DDS&T unacceptably weaken our capabilities in science and technology?

E. Should we endeavor to expand the areas in which we produce "national" (i.e. coordinated inter-agency) intelligence? Would the Agency lose its unique role as an objective observer and interpreter of events if it regularly coordinated longer range studies with agencies that have a decided stake in any intelligence prediction?

F. How much effort should we make to put the DDI and the Agency in the forefront of new presentational means and analytic techniques? Is it worth a major investment in terms of resources in fields that are so experimental that the ultimate pay-off could be minimal or at least peripheral to our real mission?

Conclusion: Would our intelligence collection be improved if we did not have the DDI?

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To a large extent, the problems which face the DDI derive from perspectives and habits that have outlived their time. For example:

- Intelligence analysis is concerned principally with military and political threats to the physical security and political interests of the U.S.;
- Intelligence analysis resources are sufficiently large, and the Agency analysts sufficiently knowledgeable, to provide all the information and analysis needed about all relevant parties and problems in the international system;
- Intelligence analysts provide products principally to officials at the very highest level of government who are themselves generalists without other sources of information and analysis;
- Intelligence analysis has only two alternative stances available: (1) report external developments in a neutral, factual way; or (2) be drawn into the role of supporting the policy preferences of current political officials;
- Intelligence analysts best serve the nation by living a professional life in a career service, apart from governmental decision-makers and from the uncleared professional, political, and business leadership community;
- Intelligence analysis is best done by individual generalists or by small groups organized around specific intellectual disciplines.

In the early days of the Agency, these assumptions were appropriate, and no doubt promoted useful production. There were few analysts, their individual coverage was broad, and their data base could be small. At the same time, the user community was small, broad-gauge, and demanded information more than interpretation. Most importantly, the U.S. was only beginning to be a significant player on the international scene, and classical politico-military moves were paramount in the country's mind.

But the world, the nation, and the Federal Government no longer reflect these assumptions in the way that they did 30 years ago. No longer is the community worried solely about the Soviet military threat. In purely military areas, the costs of competing proposals for strategic and tactical force structures have led to the creation of enormous analytical efforts to weigh the costs and benefits of alternative weapons systems in light of alternative policies and external reaction to those policies all around the world. Moreover, our national security concerns today range from changes in Chinese leadership to economic pressures exerted by Middle East shieks, and to longer-range issues of proliferation, terrorism, and the implications of technology transfer. The analysis of context has

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become as important as the analysis of factual data. A more sophisticated methodology of sophisticated problem-solving is required, and has become institutionalized and heavily relied upon by senior officials in the Executive Office of the President, and in most departments and agencies.

Today's analyst is also forced to deal with staggering amounts of information from many sources, only small parts of which -- well buried in the "noise" and highly dependent on context -- are likely to be useful. New collection methods and improved communications systems complicated as well as helped the community's ability to deal with changing world and changing user needs.

The trend of the last thirty years is likely to continue -- problems will grow in complexity, the U.S. will play an expanded role in world affairs, and the demands for analytical production services will escalate. However, the intelligence community cannot continue its trend toward an ever-increasing number of analysts, each of whom knows more and more about less and less.

The alternative is to reassess the assumptions so as to arrive at a new set of perceptions and procedures for intelligence production that will tailor the resources of the community to newer priorities. For example, a new set of assumptions might be:

- Intelligence analysis is concerned with military, political, and economic threats to the security of the U.S., and with political, economic, and technological trends that shape the world community in which the U.S. lives;
- Intelligence resources are limited, and therefore draw upon outside expertise as much as possible in order to maximize the contributions of those capabilities unique to the community;
- Intelligence analysts provide products to officials at the very highest level of government and to the various staffs that support those officials;
- Intelligence analysis maintains a continuously improving factual data base on key international developments and provides contextual analysis of intelligence information that will contribute to the policy analysis process in support of national decision-makers;
- Intelligence analysts are drawn from our national professional, political, and business leadership community for temporary, part-time, or career service and may participate on a classified or unclassified basis, as appropriate;
- Intelligence analysis requires the flexibility to assemble groups of analysts of varying skills ranging from highly specialized to highly general, and to assign very capable individual analysts to very specific problems;

- Intelligence production should be the interface between collection and use, and should reflect the problems and opportunities of the one to the other.

The program which we propose is a step toward redirecting the current effort of the DDI to comport with the changed circumstances that these new assumptions represent. Key to this proposal is the concept of the DDI as "Director of Production" of the Agency, from whom comes much of the leadership in the intelligence community for a new effort -- one directed at focusing the resources of the analytical staff on the present and future issues affecting U.S. security. To do this will require the active cooperation of his suppliers, i.e., the collectors, and his consumers, i.e., the users. We envision a system in which more nearly than at present the collectors collect what the analysts need to have collected, not what can most readily be collected; where the analysts analyze what the users want analyzed, not what they want to analyze; and finally, where the users request and receive what they need, not use what may be available.

#### On the Establishment of an Office of Policy Support in the Directorate of Intelligence:

##### The Proposal

The DDI should establish an Office of Policy Support (OPS) in the Directorate to assist the DDI in the timely production of intelligence analyses helpful to those government officials responsible for developing and analyzing policy options for the President and selected heads of departments and agencies. These analyses also should assist Congressional consideration of major policy issues before the country. The concerns of these consumers center on issues rather than particular events abroad.

The OPS should report directly to the DDI and the ADDI. It should assist them as staff in managing the resources of the Directorate in addition to having the line responsibility for formulating, carrying out, and reporting on special analyses with its own personnel, and for tasking other offices in the Directorate to help. It should act as the principal interface between the Agency and the policy analysis community.

This new Office will have four major tasks: (1) develop strong relationships between the DDI as the chief unit for intelligence analysis and the user community just mentioned, and between DDI and the external policy analysis profession; (2) provide a model of a work style and appropriate incentives to induce and assist other DDI offices to produce mid-term analyses focused on issues that will better serve the policy formulating and evaluating community; (3) carry out major studies on a small number of critical issues which clearly cut across the specialties of other DDI offices and require major analytic innovations, e.g., nuclear proliferation and arms control, global resource supply, redistribution of international economic power and wealth, assessment of military competence (as distinct from force structure), Africa. The issues would change over a period of several years and might be eliminated or spun off to relevant offices, as appropriate; and (4) advise the DDI on changes in collection and information base priorities with the largest probable payoff in policy-relevant analysis.

This proposal reflects considerations both internal and external to the Directorate. Externally, there is a growing sophistication and institutionalization of the analysis of policy options for the consideration of national policy-makers. Increasing real budget constraints and the rapid technological and political change of the last decade have complicated greatly the formulation of national policy; understanding the uncertainties and the contextual setting of policy options have become major factors in establishing national policy. Policy analysis offices have been established in the National Security Council staff and in many executive departments and agencies; professional practices and standards of policy analysis methodology are beginning to evolve. More and more national policy-makers are looking to this type of analysis and to this community for assistance in formulating national policy. The intelligence community, to serve the national policy-makers in this new environment and to preserve the legitimacy of intelligence institutions, must begin to provide the kinds of intelligence outputs that are needed by the policy analysis community, in addition to providing the estimates and evaluations that are directly useful to the policy-maker himself.

Internally, the Directorate is not organized or managed to undertake many of the quick, multidisciplinary, issue-oriented analyses where the interplay of assumptions, information, uncertainties, and implications is essential to assuring maximum usefulness of intelligence to the policy process. Moreover, the Directorate does not now have the personnel skilled in professional policy analysis methodology that would be necessary to contribute to the policy analysis process that policy-makers increasingly draw upon.

#### Implementation

There is no point in seeking, from the President or anyone else, some charter to implement this change. The best way to proceed is simply for the DCI and the DDI to begin to develop the capability and to offer more and better help to the policy analysis community.

This capability is not to be gained by eliminating the more formal, specific or conclusive intelligence production process now in place, nor can it be accomplished by promotion from within. Rather, it should be implemented as an overlay that can add to and draw upon the existing professional capabilities of the Directorate. This will require the hiring of a number of professionals from outside the intelligence community at senior and intermediate levels to begin to function in the role envisaged.

Three caveats are in order: (1) Absent strong support from the DCI, DDCI, and DDI, this approach will be hard to implement. (2) Even though there is a strong consensus among policy-oriented users of intelligence that this approach to intelligence production is much needed, no one has ever tried to institutionalize it before, so that considerable monitoring and fine-tuning will be needed as the capability is developed; in particular, intelligence analysis for policy support is not the same thing as policy analysis itself. (3) The success of this undertaking is critically dependent upon hiring outstanding people, knowing they can be kept only a few years, and on commitment of adequate contract funds for ample outside assistance.

### The Proposal

The resources of the Office of Economic Research (OER) should be reoriented to provide, in addition to its current worthwhile program, three further kinds of economic analysis: (1) policy-relevant microeconomic analysis of specific industries, countries, technologies and resources; (2) organizational analysis of economic institutions, including companies, government ministries, markets, procurement processes, and regional and commodity institutions; and (3) forecasts of economic developments and burdens which will pressure foreign regimes to consider foreign and domestic policy changes of importance to the United States. The OER should expand its use of outside consultants and contractors and should increase its sponsorship of unclassified research and symposia on these kinds of analyses.

### The Rationale

The range of economic subject matter on which the President and other key national policy-level decision-makers need intelligence inputs is expanding as national security increasingly depends on many factors other than military force structure. Specifically, trade, technology, monetary policies, and natural resources require more intelligence production in both military and non-military contexts.

Many of the newer tools for policy analysis are built on or closely related to classical economic methods, and OER reasonably ought to be strong in these methodologies, as well as in the statistical estimation methodology and data base maintenance functions it now performs. Consumers of economic intelligence analysis will become increasingly knowledgeable about the applications of these methods and will increasingly assess the value of the OER contribution in the light of these methods. Moreover, many of these new kinds of analysis will draw on unclassified sources and will be built on unclassified methodologies; the OER program could be much stronger and engender far more support if it were open to considerable outside input. Importantly, the three sorts of analytic capability recommended for increased emphasis relate in explicit and policy relevant ways to political, military, and technological courses of action that policy-makers must consider.

It will be difficult to succeed with the overall purposes of the new role for the Directorate that we have proposed if OER is not reoriented along these lines to permit it to be an asset rather than drag on the Office of Policy Support and the Office of Political and Regional Analysis.

### Implementation

OER should move immediately to define the priority areas, adding new analytic talent in consultation with the DDI and the heads of the new Offices of Policy Support and Political and Regional Analysis. Specific contract support plans should be developed and funding support should be sought from the Office of Policy Support and the DDI.

It is likely that some of the resources released, since Approved For Release 2009/06/17 : CIA-RDP05T00644R000100170004-2 will, in part, have to come from OER, and other OER resources will need to be devoted to the new directions for OER itself. It should be made clear to everyone that such action is an affirmation of the importance of OER and the role of economics in intelligence production, rather than a denigration of past efforts, much of which will continue.

On the Establishment of an Office of Political and Regional Analysis in the Directorate of Intelligence:

#### The Proposal

The DDI should establish an Office of Political and Regional Analysis (OPRA), which would combine the Office of Political Research and the Office of Current Intelligence, except for the production and journalistic functions presently assigned to the latter office. Consideration should be given to including the analytical activities of CRS and OSI with respect to [redacted] in the OPRA.

STAT

#### The Rationale

There is far too little political analysis included in those analytical reports from the Agency which concern military, economic, or technical issues. The dominant concern for performing "research" in OPR and "current analysis" in OCI has precluded effective participation of these offices in cooperative, issue-driven analysis, and has increased their isolation from users. A deliberate decision was made, when OPR was created, to insulate it from the NIOs and the user community in order to ensure that the "research" effort would not be aborted by requests for "current analysis". The OCI had excellent working relations with their counterparts in the State Department before the creation of the NIOs eliminated that relationship.

Placing responsibility for publishing the NID in OCI has had a number of undesirable side effects. Excessive resources are being devoted to current reporting in contrast to current event-driven analysis or to longer-term issue-driven analyses. Cooperative efforts are discouraged, since recognition and promotions are heavily influenced by the number of articles which an individual is able to get printed.

Finally, maintaining two separate geographically-oriented political offices seems to be an inefficient use of scarce personnel and budget resources. By combining all of the political and regional analysts in one organization, professional analytic standards can be enhanced and political analytic resources can better be marshalled to cooperate with OER, OSR, and the new OPS.

On the basis of the above, it is recommended that the Office of Political and Regional Analysis be established in the Directorate of Intelligence.

In order to make the new office most effective, we believe the following should accompany the organizational change:

- A charter should be written and distributed to all office employees setting forth the mission and objectives of the new office;
- Close working relationships with the Office of Policy Support, OER, and counterparts in all of the using agencies should be encouraged and supported at all levels of management;
- Individual analysts should be rewarded for cooperative efforts with other DDI components and for their ability to tap the expertise which exists outside of the intelligence community.

On Transferring OSI and OWI  
from DDS&T TO DDI:

#### The Proposal

OSI and OWI should be transferred from DDS&T to DDI.

#### The Rationale

An important part of our proposal is the concept that the DDI should be the chief production officer of the CIA, a role that has not been explicit in recent years. Science and technology are important considerations in the newer areas of international concern for the Agency, just as they have been in the more traditional politico-military intelligence analysis. It will be important for production management and quality control to have a strong science and technology analysis capability in DDI. These considerations far outweigh the unconvincing arguments for maintaining a single scientific and technical activity in the CIA, or for maintaining close organizational relationships between these two offices and the collectors.

#### Implementation

In implementing this proposal, consideration should be given to redistributing the three divisions of OSI among existing DDI offices. OWI should remain as a separate office for the time being, but it may make sense in the future to consolidate OWI and OSR as workload, resources, and management considerations may indicate.

• On the Transfer of the FBIS:

The Proposal

The FBIS should be transferred from the DDI to the DDS&T.

The Rationale

The FBIS is almost exclusively a collection activity and is unique among the existing and proposed offices in the DDI in this respect. On the other hand, the DDS&T has responsibility for the technical collection activities of the Agency. This transfer of the FBIS is thus consistent with the view that the DDI serves as the chief production officer of the Agency.

A second argument in favor of this transfer derives from the present discussions within the DDI as to the appropriate funding level for the FBIS. Since there is no rational basis for assigning a dollar value to the information produced by the FBIS, bureaucratic arguments have been advanced for the various possible funding levels. By placing the FBIS in the DDS&T, it would then be forced to compete with other collection activities, and funding levels could be determined on the basis of relative worth.



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The observations and suggestions incorporated in this memorandum result from a series of conferences with management staff members of the Directorate of Intelligence, a review of the Directorate's Personnel Handbook, and several implementing office notices, a review of the results of an attitudinal survey conducted among employees in the Directorate, and a discussion with a member of the Plans staff, DDI. The subject matter was confined principally to the personnel policy, programs and practices of the Directorate, to some extent of the Agency, and their results or implications on management-employee relations, employee utilization, employee development, job performance, and job satisfaction. My observations are derived primarily from problem areas that are reflected in personnel programs and practices, and that may affect employee performance.

Area of Concern - 1

High on the priority list of concerns is the narrow, almost closed, environment of the selection and promotion process. The chief problem clearly is the very narrow area of consideration given to employees in this process. The administrative (functional) positions, such as accountants, personnel assistants, budget position, etc., are in functional career services Agency wide. The other positions in this Directorate through Grade GS 13 are confined to "Career Service" in their respective "Offices". The resultant implications of this requirement are (1) selection to positions and promotions are limited on a formal and systems basis to that "Office"; (2) there is no required consideration of qualified candidates for selection or promotion from outside of the action "Office"; (3) "Office" management does not systematically consider qualified employees outside of his "Office", but must rely on "back-door" methods to ascertain who these potential candidates may be; (4) opportunities in the higher level clerical positions are formally restricted to the action "Office"; (5) the Director-

in the Directorate are considered, appraised, and selected or promoted.

(6) As a corollary to (5), the Directorate cannot be assured that every effort is systematically made to "cross over" talent or to collectively appraise and comparatively evaluate management potential for significant Directorate positions.

Although there is practiced a fairly liberal promotion policy for technical, professional, and some clerical employees from input level to "journeyman" level, this policy is not clearly spelled out for management or employees.

The vacancy notice posting practice has become quite widespread in the Federal Service. Its popularity is due in part to the fact that it presents clear evidence of direct management -- employee communication in an area of individual employee direct interest. It serves to discourage the often-made charge of unnecessary "secrecy" in job placements and promotions. It tends to diminish allegations of race and sex discrimination in the employment process.

The positions, such as assistant

The posting process also contains a number of inherent disadvantages: it adds a time factor in the employment procedure; it tends to develop a corps of "professional job appliers"; it may stimulate employee complaints or charges as to lack of consideration, race or sex discrimination, or favoritism in the employment process; and it adds another paperwork step to an already-overburdened administrative process. In spite of its disadvantages, a vacancy notice posting program properly used is a dramatic and useful step in allaying employees' concerns in the areas of selection and promotion.

it was noted that duplicate personnel files are maintained in the Directorate and that, to some extent, duplicate personnel information is retained in Office files. These files are in addition and supplemental to the official personnel files maintained in the central personnel office. Under present practice, the circulation of personnel files is severely restricted. A personnel file of an employee in one Office cannot be obtained by another Office without a prior clearance from the first. As a result, an employee is hesitant to have his file brought to the attention of another Office for placement or promotion consideration in fear of possible recrimination, i.e., "Why are you looking for placement or promotion elsewhere?", "Are we not treating you well?", "Aren't you satisfied with your work here?", "You seem to be spending more time looking for another job than doing your work here.", etc.

Suggested Action: Broaden the area of consideration for selection and promotion to a Directorate-wide basis. In effect, shift the "Career Service" responsibility from the component Offices to the Directorate.

Include all positions, except those in the administrative series (Budget, Accounting, Personnel, etc.) which are now on a functional career service basis. In concert with this action, place position numbers and average salary controls on a Directorate basis. Provide for a Directorate-wide Career Service Board, with authority to establish ad hoc career panels for selection and promotion purposes, assuring that such panels include interdisciplinary and inter-office representatives, and a representative of the DDI. (Office Career Service panels could be established and continue to function as they do now, with the exception of the competitive selection and promotion area as described previously.) Career ladder actions, as will be described later in this memorandum, would continue to be acted upon on an Office basis. Initial input selections would continue to be made on an Office basis. This

approach. Approved For Release 2009/06/17 : CIA-RDP05T00644R000100170004-2  
and promotion process in that his participation in this process becomes  
Directorate-wide.

In conjunction with broadening the area of consideration or "Career Service",  
it would be clearly in the interest of the career development program to  
describe "career ladders" in which promotions would be made to journeyman  
levels without competition and without constraints as to numbers and level.

For example, if the journeyman level of an economics research analyst is  
GS 13, it is assumed that all entering economic research analysts can reach  
that level without competition as they demonstrate the capability to perform  
at each level in their progression. Such promotions would be made by  
responsible line managers (office directors) within Agency-wide constraints,  
but without reference to Career Service Boards or Panels. The publication  
of such a specific policy for employees should clearly establish the para-  
meters of competitive vs. non-competitive promotion policy and practice.

All vacancies through Grade GS 17 in the Directorate should be posted on  
a routine basis, except (1) those positions (or programmed promotions)  
for which a career ladder is established and published; (2) designated  
positions of special assistant or comparable classification, to the  
Director.

It is recommended that no personnel files or duplicates of information in the  
personnel files will be kept outside of the Personnel Division. Every  
responsible manager, Office Directors and above, should have free access to  
these files without approval of anyone other than the Director of Personnel  
or his designated representatives. All information concerning an employee  
should be incorporated into his file, except possibly individual employee  
development plans and results of the ranking-potential program.

Personnel may consider the development of an ADP-produced employee qualification summary for day-to-day use by management.

#### Area of Concern - 2

The practice of rotational assignments, both domestic and abroad, is highly regarded by management and employees. There are a number of management and career problems involved: (1) a reluctance on the part of employees to leave their "Career Service" base where promotion actions are initiated and executed; (2) a problem of placement to a base position upon return from an assignment; (3) the ever-present concern that some assignments are just "rewards" for past actions, and not necessarily contributing to career development; (4) the ever-present possibility that an assignment is to preclude a potential personnel problem.

Most of these concerns are derived from the extremely restricted "Career Service" base. Other concerns are derived from the understandable management restrictions on personnel (numbers, dollar limitations, and workload fluctuations).

Suggested Action: Establish an Assignments Board on a Directorate basis

to: (1) perform the Career Service functions and responsibilities for those on assignment (does not include TDY or assignments of less than one year); (2) participate in the determination of, and approve, assignments; (3) arrange for and participate in the personnel planning, career development planning, performance evaluation, and related activities for all employees on assignment; (4) supervise and direct the placement and/or

Director of DDI as chairman, Chief DDI <sup>(Edman)</sup> Management Staff as member and secretary,

two Office Directors on a rotating basis, the involved Office Director on an ad hoc basis.

The Assignment Board may consider many diverse and unique applications of the assignment function. For example, the proposed Office of Policy Support may be partially staffed by assignment on a rotation basis.

### Area of Concern - 3

The procedures that have been developed in DDI for fitness reporting and ranking of employees in terms of their potential have contributed considerably to making management officials evaluation conscious, and has made them critically aware of employee problems. Under present practice, the fitness reports are shown to employees. The ranking results are not shown to or discussed with employees. If an employee is placed in the 3% category, the supervisor may discuss this placement with him if a future separation action is anticipated. A Letter of Instruction procedure is also followed. In this procedure, the supervisor and employee work out a statement of job duties, goals, performance standards and objectives, and criteria as to acceptable performance. There does not appear to be a procedure for an employee-supervisor discussion and agreement on a career development plan, including such items as desirable training for on-the-job improvement, desirable training for developing potential and future position placements for career ladder objectives.

There existed a distinct impression that, although these existing procedures had served a purpose and continued to remind management officials of their employee management responsibilities, the procedures themselves have become too cumbersome in terms of their resultant uses.

systems by (1) conducting a study of the real use made of the product in the personnel process; (2) combining the administrative input into one system, including the elements of the present Letter of Instruction; (3) incorporating a career development plan into the process, including an analysis of employee strengths and weaknesses and a recommendation as to training, possible future assignments, and position opportunities.

#### Area of Concern - 4

It is noted that there are several levels of published Personnel Policies and Procedures. Some indication was given that the distribution of Personnel Policy statements to employees was haphazard at best; in some instances employees were not aware of the existence of such statements.

Personnel Policies and Procedures for both management and employees should be published on an Agency-wide basis. Many managers are jealous of their authority to adapt personnel procedures to meet their specific needs and to consider the personnel process as but one tool to be used in their overall management responsibility. However, this approach, although broadly commendable, tends to deemphasize the "one agency" concept, and subconsciously and consciously focus the employee's work accomplishments, loyalties, career objectives, and potential on the Office and Directorate in which he is serving, instead of the Agency. The employee's career ambitions and development potential are thereby thwarted and, in his mind and in practice, "barriers" are erected that diminish considerably in reflection and in practice an employee's career opportunities.



ures, and Statements of Practice be issued; that these issuances be reviewed to assure clearness, lucidness, and preciseness for use by both management and employees. Operating and program management and representatives of employees should participate in this review and revision procedure. All other Directorate and Component Personnel Policy and Procedure issuances should be prohibited, except for action memoranda establishing time frames, action assignments, delegation of responsibility, and similar implementing information.

Area of Concern - 5

The security clearance requirement prior to employment in the area of clerical employees is a particularly time-consuming and costly undertaking. Because of in-process losses, the recruitment effort undertaken must be far greater than that reflected in the final results achieved.

Suggested Action: That an in-depth study be initiated to develop remedial action separate and apart from any suggested statutory changes. Such remedial action may include consideration of an interagency agreement with the Civil Service Commission or the Department of Defense, or other agency, to establish a recruitment pool and training center for use pending completion of necessary security clearances. Applicants would be selected and employed to meet CSC eligibility as well as Agency standards. Those appointed employees not cleared would be absorbed by the cooperative Agency or placed where needed. The effort would be funded by the Agency.

Area of Concern - 6

There appeared no direct evidence that the strict security policy of the Agency results in any direct employment implications. However, one senses a number of subtle cause-and-effect reactions that are directly related to the security program: (1) security "side slip" into areas of classification of personnel documents having no national security or national defense implications, i.e., documents concerning personnel procedures, employee development, training, etc., marked "Administrative Internal Use Only", "Eyes Only". The Agency's Personnel Policies and Procedures are classified in a range from "Administrative Internal Use Only" to "Secret", and cannot be removed from the Agency's premises; (2) an indication that employees may be limited in their efforts to be considered for employment outside of the Agency because of constraints on describing their Agency experience; and (3) an indication that because of their lack of flexibility in the outside "job market", employees are captive in the Agency employment program. The security environment cannot be discounted in evaluating its employment implications, particularly in the psychology of lifetime career service with its attendant normal frustrations and personal problems.

Suggested Action: It is strongly recommended that all security classification and restrictions not definitely required by statute be lifted from all personnel programs and processes. Freedom of access to information concerning personnel policies and processes will improve management-employee understanding, contribute to employee productiveness, assure higher employee utilization, and produce high-quality applicant input.

"Opening-Up" the DDI

1. Take the lead in stimulating a national policy for continuing development and provision of the proper information base and capital stock of experts on different facets of the external world. Major roles would be assigned to research organizations, university centers, the Library of Congress, and parts of the Executive Branch outside of the intelligence community. Long-term funding would be involved, but not necessarily from the intelligence community per se. The policy, the recipients, the funding all would be matters of public record. As appropriate, the work performed at these centers would be completely unclassified or classified below the code word level. Professional personnel at the relevant institutions, other than universities, would have an explicit commitment to serve as an intelligence analysis "ready reserve" and perform periodic tours in DDI of a short-term nature. The information bases would be fully available to DDI within normal restrictions of scientific conduct.

2. Diminish reliance on a career service in the DDI and increase reliance on analysts of high stature and great promise in the policy analysis community, who would serve for periods of several years and then leave the domain of the DDI. While, in other respects, the analogy is poor, the example of the Council of Economic Advisors well illustrates the quality of professionals who should be sought, the professional respect such service should secure, and the continuing membership of the participants in an analysis peer group well outside of DDI. This recommendation requires strong steps to

to the professional scrutiny of the analytic community through review panels and other familiar devices.

3. Establish regular internship programs in conjunction with the best centers of policy analysis and foreign affairs research training.
4. Establish a changing leadership cadre for major policy support topics, e.g., proliferation, led by persons familiar with the problems of policy formation and evaluation, and committed to the use of the most rigorous, feasible analytical tools and methods.
5. Adopt an alternative hypothesis mode for developing estimates where the alternatives explored are not representative only of the center and one direction away from it. For certain issues at least, inform large segments of the analysis community and the Congress about the range of alternative hypotheses under exploration and be sure to include some which do not assume U.S. rectitude.
6. Make the agenda of impending international developments (e.g., five or more years out), which strong analysis begun now can clarify, a major subject of debate in the external analysis community and the pertinent professional associations and journals. Hold and participate in open forums to debate these matters.
7. To insure appropriately wide-ranging analysis and confrontation of alternatives, appoint a quality control board composed of non-government members of the highest stature in the analytic community and of vision about the international environment whose political independence is unquestioned. Be sure to include a large percentage of persons firmly committed to civil liberties in this country and human rights abroad. Make their reports regularly available to the Congress and the pertinent professional communities.

8. Appoint an "analysts' ombudsman" with strong powers of inquiry to protect against the political suppression of unfashionable analytic opinion whose reports will, in unexpurgated form, be received by the DDI, the DCI, the President's national security advisor, and the ranking majority and minority members of the Senate Select Committee.

DDI Decisions on Reorganization

1 December 1976

DDI Decisions on Reorganization

The internal Working Group on Reorganization\* formed by the DDI in early September initially devoted its efforts to pulling together the broad range of suggestions coming from sources both in and out of the Directorate and attempting to shape them into a series of possible solutions for what had emerged as the key problem areas. Over a period of eight weeks, enough agreement developed on the suitability of these individual approaches to permit the group to consider how they might be related in a comprehensive reform package. By early November, there was sufficient consensus to warrant a weekend working conference out of which came the DDI's decisions on reorganization. The most important of these structural and procedural reforms were:

- To establish a Center for Policy Support. This small but select group of analysts and administrators is situated within the Office of the DDI and is intended to perform several key roles. First, it is to improve the Directorate's usefulness to the government's policy-making community by establishing a close working relationship with those key staff officers responsible for developing foreign policy options. Second, it is to produce--at the invitation of these officers and on its own initiative--in-depth studies of emerging foreign intelligence issues and their implications for US interests. Third, it is to exercise management control of the production of all the offices of the Directorate to insure that it takes on an increasingly interdisciplinary character and is genuinely responsive to the expressed needs of the policy-formulating centers of the government. Inherent in the establishment of this Center is a recognition of the continuing necessity for keeping the intelligence process at arm's length from decision-making on foreign policy but at the same time making its legitimate findings more accessible and relevant to the policy-makers' needs.

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\*Dr. Sayre Stevans, DDI; Mr. Paul Walsh, ADDI; [redacted] Directorate Executive Officer; [redacted] of the Plans Staff; [redacted] of the Office of Current Intelligence; [redacted] of the Office of Strategic Research; and [redacted] recently of the Office of Weapons Intelligence.

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- To establish an Office of Regional and Political Analysis. In recent years it has become increasingly apparent that the Directorate's efforts to analyze political developments abroad have concentrated excessively on either immediate reporting or in-depth research. The former activity has been the province of the Office of Current Intelligence and its relevance to the policy-makers' requirements has declined with the growth of other increasingly efficient news-reporting organizations both in and out of government. In-depth analysis has been performed by the Office of Political Research and, though the quality of its work is impressive, its essentially academic character has had little direct impact on the Directorate's key customers.

Consequently, a decision has been made to fuse these two organizations into a new office which will retain a responsibility for current analysis and long-range research but will also focus on the production of mid-term studies of issues which are of key interest to policy analysts. Moreover, the quality of all three types of political analysis is being enriched by the inclusion of specialists from other disciplines, e.g. economics, sociology, science and military affairs, into the staff of the new office. Finally, this organization will augment its coverage of political developments on an individual country basis by increasingly analyzing events from a regional standpoint and by focusing more on emerging trans-national issues. As a by-product of this restructuring, a relatively small Current Reporting Group has been separately established to carry on the Directorate's responsibility for producing classified commentary and reporting on foreign developments on a daily basis. A Publications and Presentations Group has been formed to centralize the mechanical preparation production of Directorate reporting as well as to explore new presentational means.

- To Strengthen Global Resources Analysis in OGCR. Perhaps the most successful example of interdisciplinary analysis currently underway in the Directorate is the study of Soviet grain production undertaken by the Office of Geographic and Cartographic Research (OGCR).

These analyses have proved to be remarkably accurate and directly responsive to the needs of policymakers at the highest level.

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The Directorate intends to capitalize on the analytical techniques and organizational approach developed in this pioneering project by establishing a new center in OGCR to study food crops elsewhere, world energy supplies, water resources and other basic materials whose exploitation or scarcity can have an impact on the strategic balance between nations. This new unit will be called the Resources Analysis Center. It should enhance the productivity of OGCR and serve as a model to other offices of what can be accomplished through interdisciplinary analysis.

- To Consolidate Intelligence Analysis in the Intelligence Directorate. When the Agency's Science and Technology Directorate was founded (in 1962) to concentrate primarily on the technical collection and analysis of information about Soviet strategic weapons systems, it was decided that the Office of Scientific Intelligence (OSI) should be transferred from the Intelligence Directorate to enrich the new organization's analytical base. Subsequently, a second analytical element was created in the DDS&T called the Office of Weapons Intelligence (OWI). These offices have accomplished their initial purpose admirably but have left the Agency's principal organization for analysis, the Intelligence Directorate, without a scientific dimension and have become less vital to the DDS&T as it has evolved 25X1

In function, structure, funding and personnel, OSI and OWI are more like any office in the DDI than those in the DDS&T and it has become increasingly apparent that the analyses produced by the Intelligence Directorate would benefit by the inclusion of scientific considerations.

Accordingly the Agency's leadership has approved the return of OSI and the transfer of OWI to the jurisdiction of the DDI, and a reciprocal movement of the Intelligence Directorate's largest office, the Foreign Broadcast Information Service (FBIS), to the DDS&T. The exchange is clearly justified because FBIS is chiefly concerned with the overt collection of foreign media output by technical means and maintains a relatively small analytical capability. Moreover, its substantial overseas structure, dependence on engineering skills, and increasing reliance on satellite communications systems should make FBIS more at home in the DDS&T.

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- To Improve Personnel Management. A substantial list of specific measures are included in this section of the reform package, but all are intended to upgrade the performance of the Directorate by improving the professional opportunities of its employees. Included are provisions for rotational assignments both between offices and outside the Directorate, for developing new training programs, for freeing senior analysts of supervisory responsibilities, for early identification of managerial talent, and for establishing new procedures for the advancement of clerical personnel. The most important of the personnel management reforms, however, is the decision to create a single career service for all employees above the "journeyman" level. Heretofore all personnel have been assigned to individual office career panels because, in part, of an interest in developing their expertise in specific professional disciplines and also an historical concern with the compartmentation of intelligence information. This arrangement, however, has tended to limit employees to a single career path and has resulted in intelligence products which are too narrowly focused for the needs of policy makers. The amalgamation of the career services is intended to promote the mobility of senior professional personnel throughout the Directorate and thus the interdisciplinary character of the analyses they produce for its consumers.

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